



General Assembly

February Session, 2004

Amendment

LCO No. 3198

SB0047603198SD0

Offered by:

SEN. LOONEY, 11th Dist.

To: Senate Bill No. 476

File No. 550

Cal. No. 108

***"AN ACT CONCERNING INCOME TAX REFUND LOAN
DISCLOSURES."***

1 After line 15, insert the following:

2 "(5) "Creditor" means a person who makes a refund anticipation
3 loan.

4 (6) "Facilitate" means to solicit the execution of, process, receive or
5 accept an application or agreement for a refund anticipation loan and
6 "facilitator" means a person who facilitates for a refund anticipation
7 loan.

8 (7) "Refund anticipation loan fee" means the charges, fees or other
9 consideration charged or imposed directly or indirectly by a creditor or
10 facilitator for the making of or in connection with a refund anticipation
11 loan. "Refund anticipation loan fee" includes any charge, fee or other
12 consideration for a deposit account, if the deposit account is used for
13 receipt of the client's tax refund to pay the amount owed on the loan.
14 "Refund anticipation loan fee" does not include any charge, fee or other

15 consideration usually charged or imposed by the facilitator in the
16 ordinary course of business, such as fees for tax return preparation and
17 fees for electronic filing of tax returns, if the same fees at the same rates
18 are charged to the facilitator's customers who do not receive refund
19 anticipation loans.

20 (8) "Refund anticipation loan interest rate" means the interest rate
21 for a refund anticipation loan.

22 (b) A refund anticipation loan interest rate is calculated as follows:
23 The total amount of refund anticipation loan fees divided by the loan
24 amount, minus any loan fees, then divided by the number of days in
25 the loan term, then multiplied by three hundred sixty-five and
26 expressed as a percentage. The total amount of the refund anticipation
27 loan fee used in this calculation shall include all refund anticipation
28 loan fees, as defined in subdivision (7) of this subsection. If a deposit
29 account is established or maintained in whole or in part for the
30 purpose of receiving the client's tax refund to repay the amount owed
31 on a refund anticipation loan: (A) The maturity of the loan for the
32 purpose of determining the refund anticipation loan interest rate shall
33 be assumed to be the estimated date when the tax refund will be
34 deposited in the deposit account; and (B) any fee charged the client for
35 such deposit shall be considered a loan fee and shall be included in the
36 calculation of the refund anticipation loan interest rate. If no deposit
37 account is established or maintained for the repayment of the loan, the
38 maturity of the loan shall be assumed to be the date when the creditor
39 receives the tax refund."

40 In line 16, strike "(b)" and insert "(c)" in lieu thereof

41 After line 33 insert the following:

42 "(d) No person shall facilitate a refund anticipation loan with a
43 refund anticipation loan interest rate greater than that set out in section
44 37-4 of the general statutes."

45 In line 34, strike "(c)" and insert "(e)" in lieu thereof